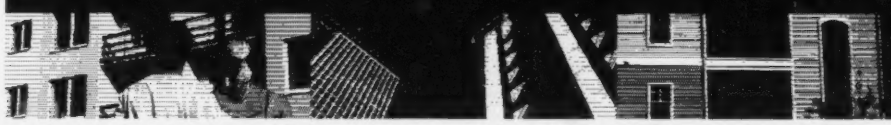
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Newfoundland and Labrador Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

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Figure 1

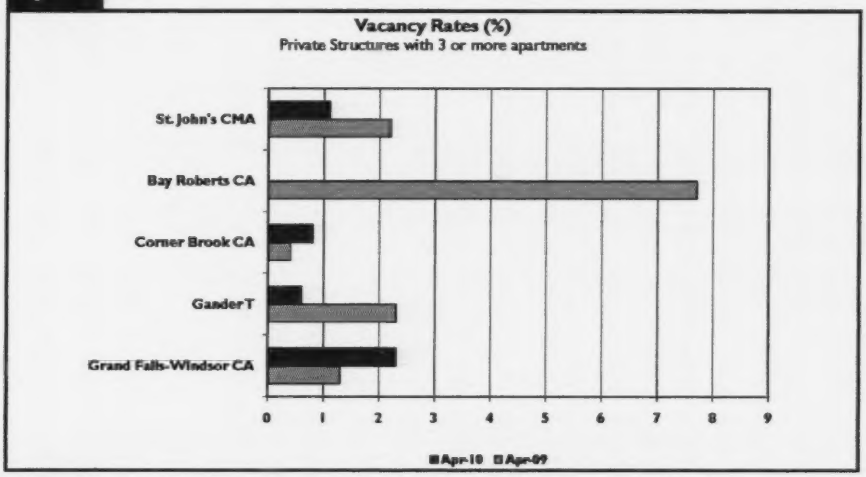
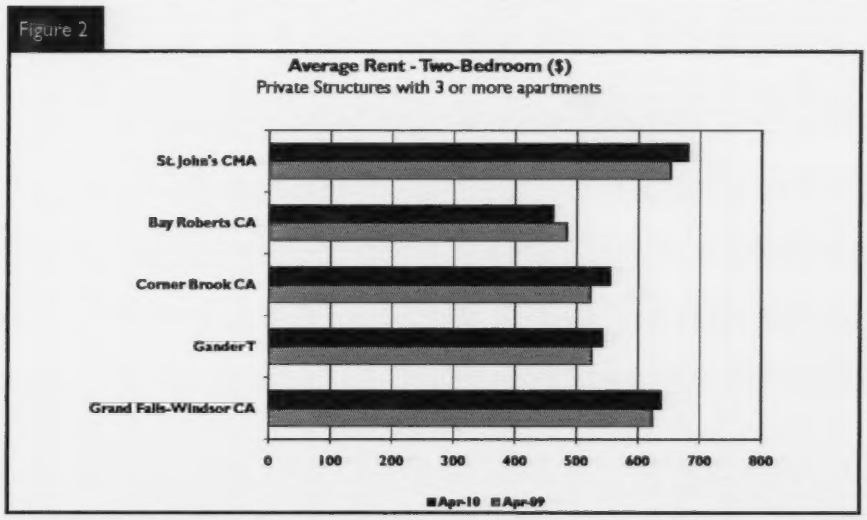


Figure 2



*Only centres with a population of 10,000 + are included in the survey.

Vacancy Rates Mixed Throughout Province

- The overall provincial vacancy rate was 1.1 per cent in the spring of 2010.
- A buoyant economy and higher homeownership costs, combined with low levels of new rental construction, resulted in lower vacancies in the St. John's CMA.
- Average two bedroom rent was $640 across the five urban centres surveyed.
- Gander had the lowest vacancy rate at 0.6 per cent.

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Overview

Canada Mortgage and Housing Corporation's (CMHC) survey of rental accommodations conducted during the month of April indicated that changes in vacancy rates for private apartment structures containing three or more units were mixed throughout the province in all centres surveyed. Provincially, the overall vacancy rate was 1.1 per cent during the April survey, with 58 of the 5,170 units surveyed vacant. This represents a reduction of 0.9 percentage points from last April's rate of 2.0 per cent. The vacancy rate was highest in Grand Falls-Windsor CA (Census Agglomerate), while the lowest vacancy rate recorded was in Gander (Town). As expected, average rents were highest within the St. John's CMA (Census Metropolitan Area), with Bay Roberts CA posting the lowest rents.

The St. John's CMA rental market posted a vacancy rate of 1.1 per cent for the April survey versus 2.2 per cent last April. This translated into 39 vacant units out of the 3,575 units surveyed. With the local labour market remaining healthy, population growth will continue to create rental demand and keep vacancy rates low within the region. Buoyant economic activity, low interest rates and income growth continue to support demand for housing within the St. John's CMA. Higher homeownership costs and strong economic conditions are creating demand for rental units. This, coupled with limited new rental supply being added to the market, is contributing to the low vacancy rates.

With a university campus of 1,200 plus students and a stable economy, Corner Brook CA continues to experience one of the lowest vacancy rates in the province with a vacancy rate of 0.8 per cent compared to 0.4 per cent a year ago. With conditions expected to remain stable within the region, the Corner Brook CA rental market will continue to experience low levels of vacancy and rising rents.

In other rental markets, the April survey results varied. Gander, which posted a vacancy rate of 0.6 per cent versus 2.3 per cent last year, continues to be positively impacted by its central location in the province and its international airport. Grand Falls-Windsor CA posted a vacancy rate of 2.3 per cent in April compared to 1.3 per cent a year ago. The central region's economy has been impacted by lower levels of employment resulting in reduced demand for rental units.

Average Rents

Overall, the average two bedroom rent was $640 across the five urban centres surveyed, with increases recorded in every centre, except Bay Roberts CA. The highest average two bedroom rent recorded was $680 in the St. John's CMA, while Bay Roberts CA posted the lowest average rent of $461. The remaining average two bedroom rents were $554 in Corner Brook CA; $542 in Gander; and $637 in Grand Falls-Windsor CA.

Based on structures common to both the 2009 and 2010 surveys, average rents increased across the board, with the exception of Bay Roberts CA, where rents declined slightly. In St. John's CMA, the average rent increased 5.7 per cent. In Corner Brook CA, the increase was 6.5 per cent. In Gander the increase was 3.9 per cent, while in Grand Falls-Windsor CA, average rents climbed 2.2 per cent.

Availability Rates

Consistent with the lower vacancy rate pattern, the availability rate ranged from a high of 2.7 per cent in Grand Falls-Windsor CA, to a low of 0.6 per cent in the Gander area. The Corner Brook CA availability rate was 0.8 per cent, while the St. John's CMA recorded a rate of 1.8 per cent.

Newfoundland & Labrador
Apartment Vacancy Rates
Corner Brook
0.8%
Gander
0.6%
Grand Falls-Windsor
2.3%
St. John's
1.1%
Bay Roberts
**
Legend
0.8% 2010 vacancy rate for Corner Brook
Vacancy rate in 2010 the same as 2009
Vacancy rate in 2010 higher than 2009
Vacancy rate in 2010 lower than 2009
Data suppressed to protect confidentiality or because it is not statistically reliable.

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
St. John's CMA	4.4 c	2.0 c	1.3 a	1.3 a	1.9 a	0.7 a	4.6 b	1.8 c	2.2 a	1.1 a
Bay Roberts CA	n/u	n/u	**	**	9.1 a	**	**	**	7.7 a	**
Corner Brook CA	0.0 a	0.0 a	1.6 a	2.4 a	0.0 a	0.3 a	0.0 a	0.0 c	0.4 a	0.8 a
Gander T	**	n/u	1.3 a	0.6 a	2.4 a	0.5 a	5.3 a	2.9 a	2.3 a	0.6 a
Grand Falls-Windsor CA	0.0 a	**	1.3 a	4.2 c	1.4 a	1.7 a	**	**	1.3 a	2.3 a
Newfoundland & Labrador 10,000+	**4.0 c**	**2.1 b**	**1.4 a**	**1.4 a**	**1.8 a**	**0.8 a**	**4.1 b**	**1.6 c**	**2.0 a**	**1.1 a**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
St. John's CMA	507 b	545 a	579 a	607 a	652 a	680 a	702 a	742 a	623 a	653 a
Bay Roberts CA	n/u	n/u	**	**	484 a	461 a	**	**	474 a	464 a
Corner Brook CA	425 a	447 a	453 a	483 a	522 a	554 a	625 a	652 a	508 a	538 a
Gander T	**	n/u	454 a	473 a	524 a	542 a	558 a	619 a	508 a	528 a
Grand Falls-Windsor CA	371 a	**	497 a	505 a	623 a	637 a	680 b	**	600 a	612 a
Newfoundland & Labrador 10,000+	**498 a**	**535 a**	**547 a**	**571 a**	**616 a**	**640 a**	**680 a**	**716 a**	**595 a**	**620 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
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Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in April 2010 by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
St. John's CMA	7 c	354	14 a	1,104	13 a	1,839	5 c	279	39 a	3,575
Bay Roberts CA	n/u	n/u	**	**	**	28	**	**	**	32
Corner Brook CA	0 a	25	3 a	125	1 a	293	0 c	36	4 a	478
Gander T	n/u	n/u	1 a	161	2 a	429	1 a	35	4 a	625
Grand Falls-Windsor CA	**	**	3 c	76	6 a	368	**	**	10 a	460
Newfoundland & Labrador 10,000+	**8 b**	**384**	**21 a**	**1,469**	**22 a**	**2,956**	**6 c**	**361**	**58 a**	**5,170**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
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n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
St. John's CMA	6.5 c	2.5 b	2.1 a	1.8 b	2.9 a	1.5 a	5.6 b	3.2 c	3.2 a	1.8 a
Bay Roberts CA	n/u	n/u	**	**	9.1 a	**	**	**	7.7 a	**
Corner Brook CA	4.5 a	0.0 a	1.6 a	2.4 a	0.0 a	0.3 a	0.0 a	0.0 c	0.6 a	0.8 a
Gander T	**	n/u	1.3 a	0.6 a	2.4 a	0.5 a	5.3 a	2.9 a	2.3 a	0.6 a
Grand Falls-Windsor CA	0.0 a	**	1.3 a	6.8 c	1.4 a	1.7 a	**	**	1.3 a	2.7 a
Newfoundland & Labrador 10,000+	**6.2 b**	**2.6 b**	**1.9 a**	**2.0 a**	**2.4 a**	**1.3 a**	**4.9 b**	**2.8 b**	**2.7 a**	**1.7 a**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type
Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10
St. John's CMA	4.7 b	9.2 b	6.7 a	4.8 b	5.2 a	5.0 a	4.5 b	8.6 c	5.7 a	5.7 a
Bay Roberts CA	n/u	n/u	**	**	**	**	**	**	**	**
Corner Brook CA	**	**	7.2 a	7.1 a	3.7 b	7.1 a	**	**	4.3 b	6.5 a
Gander T	**	n/u	4.0 a	3.3 a	4.0 a	3.5 a	4.8 a	7.8 a	4.3 a	3.9 a
Grand Falls-Windsor CA	18.8 a	**	3.4 b	**	1.6 a	2.6 a	**	**	2.1 a	2.2 a
Newfoundland & Labrador 10,000+	**5.2 b**	**8.7 b**	**6.2 a**	**4.6 b**	**4.7 a**	**4.7 a**	**5.0 a**	**7.0 b**	**5.2 a**	**5.2 a**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)

** Data suppressed to protect confidentiality or data not statistically reliable.

++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current April Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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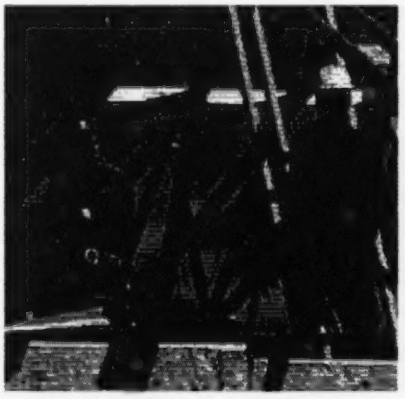

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